

Florida Academy of Family Physicians
Capitol Update
March 7, 2008

Week 1 of the 2008 Legislative Session concluded and the mood of the Legislature mirrors voter moods – grim. The Senate and House convened the 2008 Legislative Session at 11 a.m. on Tuesday. The Speaker and the Senate President previewed the grim budget crisis facing the state. Governor Charlie Crist gave his second State of the State speech on Tuesday evening in order to allow more Floridians to hear the speech and to get updated on state issues. Interestingly enough, it was the first time since Governor Haydon Burns in the mid-1960s that the speech was given during the evening instead of at noon. The budget dominated Crist’s remarks as well.

Following opening day, the Legislature spent much of the first week cutting more than \$500 million from the current year budget. These cuts are in addition to the more than \$1.5 billion cut in late 2007. After concluding the current year budget cut process, the Legislature will focus on cuts for the 2008-2009 budget that begins on July 1. The state is experiencing the worst fiscal slowdown in more than 30 years. Both the Governor and the Speaker of the House are insistent that revenue enhancements (i.e., tax increases) are not an option, thus the budget must be balanced by cuts to current and projected expenses.

On the political front, the grim mood led to early partisan rancor in the Florida House where legislators accused each other of partisan manipulation of the current year budget reductions. This early partisan tone could be the result of the Democrats reading the November election tea leaves. Recent polling indicates a majority of Floridians think Florida is headed in the wrong direction, never good news for the party in power.

Following is the status of FAFP’s priority issues:

Managed Care Contracting – (SB 1012/HB 405)

Senator Don Gaetz (R- Fort Walton Beach) and Representative Bill Galvano (R- Bradenton) filed legislation that require managed care companies to accept a valid assignment of benefits, place a fair time limit on the “look-back” provision in the prompt payment law and prohibit silent PPOs.

The bills were amended in committee to include ambulatory services. These bills are supported by organized medicine and strongly opposed by the insurance industry. Blue Cross Blue Shield appears to be leading the charge against the bills claiming their networks will be destroyed and predicting a huge fiscal impact on state employee group health plans.

SB 1012 was reported favorably as amended from the Senate Banking and Insurance Committee. **The bill will be heard in the Commerce Committee next Tuesday, March 11.** After that, the bill has two more committee hearings, the Committees on Health Policy and General Government Appropriations. HB 405 was reported favorably by the House Health Innovation Committee. The bill has one more committee hearing, the Policy and Budget Council.

ARNP Prescribing Expansion – (SB 972/HB 515)

Another scope expansion battle will be fought in the Legislature this year. At the urging of the advanced registered nurse practitioners (ARNPs), Senator Burt Saunders (R-Naples) and Representative Juan Zapata (R-Miami), Vice Chair of the House Healthcare Council, filed bills authorizing ARNPs whose practice is located in medically underserved areas or who provide care to medically underserved populations (as designated by the United States Department of Health and Human Services) to prescribe Schedule II, III, IV, and V substances. The legislation would only authorize ARNPs to prescribe these substances to the extent authorized by a protocol with a physician licensed under chapter 458 or chapter 459. Most of organized medicine opposes this legislation.

SB 972 was referred to the Senate Committees on Health Regulation and Judiciary and HB 515 was referred to the Committee on Health Innovation and the Healthcare Council. Neither bill has received a committee hearing to date.

2008-2009 Budget & Medicaid

On the Legislative budget front, with the decline in general revenue dollars, the Legislature will reduce the current year health and human services budget. However, since the Legislature so dramatically cut HHS current year spending during Special Session C in October, the overall

reduction is \$36.9 million. The entire reduction package will likely be passed next week.

On January 31, Governor Charlie Crist proposed his 2008-2009 state budget. Within his recommendations, he called for a total Medicaid budget of \$15.732 billion. That is more than half a billion dollars less than the current year's Medicaid budget – a 4% reduction. The federal matching dollars decreased by \$394 million due to U.S. Centers for Medicaid and Medicare modification based on Florida's per capita income. That decrease means that Florida has to provide a greater amount of its general revenue to make up that shortfall and to continue the state's Medicaid mandatory and optional programs. Interestingly, the total Medicaid caseload for Florida is expected to increase by 5% over last year. In the last five years, the state's Medicaid population has only increased by 8%.

Looking at a couple of key funding areas within the Governor's recommendations, he proposes a total of \$726.3 million for physician reimbursements, but only for specific sub-specialties, not including Family Medicine. This would be an increase of 1% or \$6 million over last year's budget. The budget recommendations for prescription drug coverage for Medicaid recipients dropped to \$1.057 billion for the coming year. This is a reduction of 5%, or \$58 million, from 2007-2008. The governor is recommending that Agency for Health Care Administration (AHCA) continue to implement various administrative cost reductions available to them including higher rebates from manufactures and other cost saving measures allowed under federal law.

Medical Insurance Reform & Uninsured Proposals

During his state of the state address, Governor Crist announced his proposal for the Cover Florida Health Access Act – Consumer Choice Benefit Insurance Plans. While no legislation has been put forth this year, the proposal focuses on supposed market-based initiatives and reforms. The new insurance package that companies could offer would contain no individual mandates and no employer mandates for specific coverage or conditions. This proposal must guarantee coverage to uninsured Floridians age 19 to 64 and must offer multiple benefit options. The insurance package must include a strong package of preventive, primary, and urgent care benefits, including hospitalization. It would allow for competitive negotiation with carriers for supplemental coverage for vision, dental, and

cancer. The new insurance plan would let employers offer and share the cost of consumer choice benefit plans with their employees.

A second proposal would create the Florida Health Care Access Program. This would be a three-year pilot program (\$21 million per year or \$63.9 million total) in partnership among hospitals, county health departments and health care providers for primary health care services and outreach in neighborhoods with high rates of uncompensated care and uninsured. The 14 counties in the pilot program consist of Alachua, Broward, Duval, Escambia, Gadsden, Hillsborough, Miami-Dade, Monroe, Okaloosa, Orange, Osceola, Palm Beach, Santa Rosa and Sarasota. This is based on the Broward “HITS” (Health Intervention with Targeted Services) program.

The final two significant proposals would remove the 10 percent “full pay cap” in the KidCare Program. According to the Governor’s Office, of Florida’s 548,000 uninsured children, 23% or 126,040 children are not eligible for KidCare due to the income level of their family. By lifting the cap on full-pay enrollment, they assert all children in Florida could become eligible to purchase health insurance through the KidCare program. Finally, the Governor proposed changing statute to allow policyholders to keep dependents covered until age 30. Typically, non-student dependents lose health insurance coverage on their parents' policy at age 19. This would allow parents who wish to continue providing coverage for children after the age of 18.

Emergency Medicine Certification – (SB 1184/HB 509)

Senator Burt Saunders (R-Naples) and Representative Paige Kreegel (R-Punta Gorda) filed legislation that would prohibit physicians and osteopathic physicians who complete their certification after January 1, 2009 from becoming board-certified emergency physicians unless certain requirements are satisfied.

SB 1184 was referred to Health Regulation and HB 509 was referred to the Committee on Health Innovation and the Healthcare Council. Neither bill has received a committee hearing to date. FAFP worked with the emergency physicians and the FMA to clarify certain provisions of the bill, thus avoiding unintended consequences of limiting the ability of physicians to practice in various settings.

Electronic Health Records – (SB 1998/HB 637)

Senator Jeremy Ring (D-Margate) and Representative Denise Grimsley (R-Sebring) filed legislation creating a Florida eHealth Initiative Act. The bills direct AHCA to award and monitor matching grants to health information organizations that submit proposals that advance the development of a statewide health information exchange. The grants would be subject to appropriation each year.

SB 1998 was referred to the Senate Committees on Health Regulation, Banking and Insurance, Governmental Operations and Health and Human Services Appropriations. HB 637 was referred to the Healthcare Council and the Policy and Budget Council. Neither bill has received a committee hearing to date.

Health Practitioner Workforce Ad Hoc Advisory Committee

Last year SB 770 created the Health Practitioner Workforce Ad Hoc Advisory Committee housed within the Department of Health (DOH). The bill created a five-member advisory council on physician workforce issues that is responsible for reviewing and commenting on data analysis by the DOH for physician workforce issues and to provide advice and expertise to the DOH to be incorporated in the survey.

This week DOH Deputy Secretary of DOH, Kim Berfield provided an update on DOH's Health Practitioner Workforce Ad Hoc Advisory Committee to the House Health Quality Committee. The voluntary survey was distributed in October for allopathic physicians and in December for osteopathic physicians. DOH was very pleased with the response. The allopathic physicians, whose renewal cycle ended in January 31st, had a 93% response rate and the osteopathic physicians are anticipated to have a similar result at the end of their renewal cycle. DOH expects similar results as the survey distribution is expanded to specialty physicians. The analysis of the data is ongoing. The goal is to target where Florida's physician needs lie in hopes of addressing shortages.

We hope this brief legislative update is helpful. We will keep you posted on these and other developments as the Session progresses.